

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NOS. TF-05-15 TF-05-16 (RPU-04-1)
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ORDER APPROVING COMPLIANCE TARIFFS

(Issued February 11, 2005)

On January 19, 2005, Interstate Power and Light Company (IPL) filed compliance tariffs, identified as TF-05-15 and TF-05-16, consistent with the final decision and order of the Utilities Board (Board) issued on January 14, 2005, in Docket No. RPU-04-1. Included with the filing was a motion to approve the compliance tariffs prior to resolution of any rehearing requests in Docket No. RPU-04-1. No objections to the compliance tariffs or motion were filed. The Board has reviewed the compliance tariffs and finds that they are consistent with the Board's final decision and order.

One party has filed a request for rehearing of the Board's January 14, 2005, order. Others may file requests for rehearing by the filing deadline on February 14, 2005. While the Board generally does not rule on compliance tariffs until after rehearing had been decided, compliance tariffs were approved in IPL's last electric rate case prior to the Board's decision on the rehearing requests. Interstate Power and Light Company, "Order Conditionally Approving Compliance Tariffs and

Approving Corporate Undertaking,” Docket Nos. TF-03-133, TF-03-134 (RPU-02-3, RPU-02-8) (5/28/03). In that order, the Board noted at page 2 that if the Board did not rule on compliance tariffs until after rehearing, “there will be a significant delay in implementing rates the Board found just and reasonable” in its final order and decision. Because revenue requirement issues were the subject of rehearing, the Board approved the compliance tariffs subject to the condition that IPL file a corporate undertaking agreeing to refund, with interest, any amounts collected under the compliance tariffs that were in excess of any amounts approved by the Board at the conclusion of the rehearing process.

Until IPL’s last rate proceeding, most recent rate cases have been settled so there is no question about the timing of the effectiveness of compliance tariffs. In other cases, the difference between temporary and final rates is such that the utility asks that the filing of compliance tariffs be delayed until after rehearing. However, there is nothing in Iowa Code chapter 476 or the Board’s rules requiring that compliance tariffs be approved only after rehearing.

The Board’s January 14, 2005, order found IPL’s current rates to be unjust and unreasonable. Delaying approval of compliance tariffs would subject IPL to a revenue loss that it cannot recover. Depending on the length of the rehearing review process, the revenue loss could be significant because the revenues produced by final rates are approximately \$9 million more than the revenues produced by temporary rates (on an annual basis). The Board will grant IPL’s motion and approve

its compliance tariffs now. Pursuant to IPL's request, the tariffs will be effective with usage on and after February 17, 2005. Unlike IPL's prior rate case, revenue requirement issues were not contested in this proceeding. IPL's revenue requirement was the subject of a settlement that was not contested or objected to by any party. Therefore, no corporate undertaking is required because revenue requirement will not change on rehearing.

IT IS THEREFORE ORDERED:

Compliance tariffs, identified as TF-05-15 and TF-05-16, are approved, effective with usage on and after February 17, 2005.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 11th day of February, 2005.